

Custodial Audit Support Tracking System (CASTS) – Privacy Impact Assessment

PIA Approval Date – Mar. 12, 2009

System Overview:

Custodial Audit Support Tracking System (CASTS) is used to track information provided to the Government Accountability Office (GAO) for the financial audit of Unpaid Assessments (UA). It is used to track documents; produce weekly reports for national coordinators; generate Data Collection Instruments for field personnel; record the analysis of classification and collectibility of sample Unpaid Assessment modules; monitor large dollar Unpaid Assessments; and, perform final reconciliation of audit results. Please let me know via email as to when the posting is completed so that the Privacy Analyst and Business Unit can be notified that the request has been completed.

Systems of Records Notice (SORN):

- IRS 24.030–Individual Master File
- IRS 24.046–Business Master File
- IRS 22.060–Automated Non Master File
- IRS 22.054–Subsidiary Accounting Files
- IRS 42.021–Compliance Programs and Project Files
- IRS 34.037–IRS Audit Trail and Security Records System
- Treasury 00.009 Treasury Financial Management Systems

Data in the System

1. Describe the information (data elements and fields) available in the system in the following categories:

A. Taxpayer:

- Tax Identification Number (TIN), Employer Identification Number (EIN) or Social Security Number (SSN)
- First name
- Last name
- Balance of unpaid taxes
- Types of unpaid taxes
- Document Locator Numbers (DLN) of tax returns and adjustment supporting documents
- Miscellaneous processing codes (closing codes, indicators, statute expiration dates, collection status codes)

B. Employee – Employee's Standard Employee Identifier (SEID) and password.

C. Audit Trail information being captured is as follows:

- Audit account logon events Success, Failure
- Audit account management Success, Failure
- Audit directory service access Failure
- Audit logon events Success, Failure
- Audit object access Failure
- Audit policy change Success, Failure
- Audit privilege use Failure
- Audit system events Success, Failure

2. Describe/identify which data elements are obtained from files, databases, individuals, or any other sources.

A. IRS – Master Files (IMF, BMF, and NMF) found on the Unpaid Assessments (UA) subsystem of the Financial Management Information System (FMIS) contain:

- Taxpayer's TIN, EIN or SSN,
- Name
- Balance of unpaid taxes
- Types of unpaid taxes
- DLNs of tax returns.

All data is received from IMF, BMF, and NMF.

B. Employee – Employee's User ID (SEID) and password. Employees may add comments to explain their financial analysis.

C. Other Federal Agencies – GAO auditors have write permissions on one database field and may add comments to files. These comments are specific to what the GAO auditor thinks the book value of a particular case should be.

3. Is each data item required for the business purpose of the system? Explain.

Yes. Each specific module identified as having a balance due greater than \$10 million, and each specific module identified in the annual statistically valid sample, must be thoroughly analyzed to validate the correctness of the balance reflected on the master file, the financial classification, and the potential future collectibility of the module. This is necessary in order to comply with the Chief Financial Officer (CFO) Act of 1990, requiring that IRS produce auditable financial statements. When auditing IRS financial statements, GAO requires specific examples of these tax returns. In order to fulfill this requirement, IRS must have the exact information. It must be able to identify the taxpayer and bring up the taxpayer's records in order to comply with the GAO requirement.

4. How will each data item be verified for accuracy, timeliness, and completeness?

Data is loaded indirectly to CASTS from the UA subsystem of IMF, BMF, and NMF. Each tax module is then analyzed in its entirety, including visual comparison between the master file balances and the tax returns and/or adjustment documents which support those balances. Numerous data checks are in place within the database to ensure consistency of analysis and correctness of data. There are monthly updates to the audit information obtained from the IMF, BMF, and NMF. However, during the annual sample, there is no update of the file for the duration of the audit period.

5. Is there another source for the data? Explain how that source is or is not used.

No. There is no other source for data. However, data items are sometimes unavailable from the IMF, BMF, and NMF due to timing of extracted data. In such cases, users may input directly to the database. In this case, DLN records and unpaid tax module balances are input based upon a visual review of the master file transcript (MFTRA) of a specific taxpayer module. Taxpayer names are manually input only when needed to assist field personnel in identifying collection files to provide to the CFO.

6. Generally, how will data be retrieved by the user?

All Users must first log-in to their workstation using their IRS Intranet account. This requires both a unique identifier (SEID) and a password. After a User has logged-in to their workstation they double-click on the CASTS application shortcut to bring up the MS Access application. The CASTS application validates the Users ID (SEID) and password via MS Access workgroup security to retrieve

the user's roles and privileges. Once validated, the user has access to the application. When accessing data via the application, the SQL Server database uses windows authentication to verify access to the database; the verification process is transparent to the user. When the user has been properly authenticated, they are then able to retrieve data from the CASTS Database for analytical purposes.

7. Is the data retrievable by a personal identifier such as name, SSN, or other unique identifier?

Yes. Either the TIN, EIN, or SSN may be used in addition to DLNs in order to retrieve a taxpayer's file. This is necessary to obtain positive validation of the amounts included in IRS financial statements if they are audited by GAO.

Access to the Data

8. Who will have access to the data in the system (Users, Managers, System Administrators, Developers, Others)?

CASTS will employ four roles to control user access to various application capabilities, they are: IRS Analyst, GAO auditor, IRS Section Chief, and CASTS Administrator. Only federal employees from the IRS and the GAO are allow access to CASTS, and the CASTS systems is only accessible on the IRS network, which is not accessible to other Government or Civilian agencies.

Role: IRS Analyst

Permission: Read/write access on all tables in the CASTS database and can insert, update and delete records in all tables. They have read-only access to the GAO Control Page form.

Role: GAO Auditor

Permission: Can view all forms and reports in CASTS. They can only make changes to GAO Control Page records; they can select and update but not insert or delete records. This is the method for controlling GAO input. They can update records to show their analysis only. They can't add/delete records in any way, and they can't edit records in any way except via GAO Control Page. GAO auditors have the ability to create ad hoc SELECT queries for all tables.

Role: IRS Section Chief

Permission: Authorized to give final approval of cases before submission to GAO.

Role: Administrator

Permission: Adds new users to the database, deactivates and deletes users, and assigns roles and combinations of roles.

Both the IRS Section Chief and CASTS Administrator roles have all of the privileges of the IRS Analyst role.

9. How is access to the data by a user determined and by whom?

Users must submit an Online (OL) 5081 to request access to CASTS. After the request is signed by the user's manager, it is sent to the CASTS administrators, who add the user's SEID CASTS database. Each IRS employee is assigned a unique SEID. By design, a single SEID cannot be assigned to multiple employees.

GAO users of CASTS are granted access to an IRS network domain and CASTS via OL-5081 using the following process: GAO auditors are assigned to an OL5081 unit that is under control of a local IRS manager within the CFO area. GAO notifies the manager when they are going to be in town for the audit. The manager inputs an OL5081 request to activate (for new auditors) or reactivate an individual domain logon for each auditor. When the auditors arrive at the IRS audit site, CFO assists

them by logging onto the network domain and allowing the auditors to access OL5081 to retrieve their network account password. At the end of the audit period the IRS manager deactivates all of the GAO accounts for both CASTS and the network domain.

The CASTS application validates the Users ID (SEID) and password via MS Access workgroup security to retrieve the user's roles and privileges. Once valid, the user has access to the application. When accessing data via the application, the SQL Server database uses windows authentication to verify access to the database; the verification process is transparent to the user.

All data may at some time be accessed in the read-only form by all users of the database. The Section Chief (an end user role not currently set-up in the CASTS system, and is currently undefined) assigns certain cases, but most sample cases are worked by the first available analyst. All analysts (another type of end user) assist with recording the receipt of documents. All analysts have the ability to build and perform queries of the database to determine trends, produce reports, etc. GAO auditors (a third type of end user) have read-only access all sample module data. This allows them to record their audit findings. No users have the ability to edit data. They may, however, add comments to the data file.

System administrators may do all of the above. In addition, they may create files, manage the audit and security logs, modify the program, perform system maintenance, create/restore files and directories

Note: Contractors do not have access to the CASTS system.

10. Do other IRS systems provide, receive, or share data in the system? If YES, list the system(s) and describe which data is shared.

No other IRS systems provide, receive, or share data in the system. There are no data systems directly connected to the CASTS system. The files are extracted IMF, BMF, and NMF. They are manually placed on the CFO Accounts Receivables Management System (CAMS) server in DC. The files are retrieved electronically in Kansas City from CAMS, imported into Excel, and loaded to CASTS via SQL Server DTS package. All information in CASTS is received indirectly from the UA subsystem of the FMIS. UA file data is stored in Washington, DC. These files are shipped to Kansas City where they are manually fed into the database; they are obtained electronically via the IRS network and saved to SBU encrypted folders. No data is shared or provided to other systems.

11. Have the IRS systems described in Item 10 received an approved Security Certification and Privacy Impact Assessment?

Yes.

FMIS, of which UA is an embedded subsystem,

- Certification & Accreditation (C&A) – July 13, 2005, expiring July 13, 2008
- Privacy Impact Assessment (PIA) – July 23, 2003, expiring July 25, 2006

12. Will other agencies provide, receive, or share data in any form with this system?

Yes. The information in the CASTS system may be shared with GAO financial auditors. This information is provided for auditing purposes, only. It remains within CASTS, and is not transferred to GAO systems.

Administrative Controls of Data

13. What are the procedures for eliminating the data at the end of the retention period?

All inactive electronic records six years are archived after the end of the current fiscal year audit before being eliminated in accordance with IRM 1.15.16.1, the CFO Records Retention Schedule in order to cover CASTS. A record is defined as inactive if it has not been in a GAO audit sample or monitored by the CFO as a large dollar case in any of the most recent six fiscal years. No original documents are kept in the system. They are records created simply for analysis purposes. Files are kept for GAO "look-backs". GAO audit authority requires that IRS audit files be retained for "look-backs". These "look-backs" can be conducted for records as old as 6 years. CASTS System Representatives can supply a signed Memorandum of Understanding from the GAO attesting to this fact as necessary.

14. Will this system use technology in a new way?

No. Technology will not be used in a new way.

15. Will this system be used to identify or locate individuals or groups? If so, describe the business purpose for this capability.

Yes. CASTS simply contains statistically valid random samples of pre-identified records that are input into it. Taxpayer identification data is used only to obtain positive validation of the amounts included in IRS financial statements. Users have the ability to change records in CASTS, but they have no ability to change tax module information on the IRS master files.

16. Will this system provide the capability to monitor individuals or groups? If yes, describe the business purpose for this capability and the controls established to prevent unauthorized monitoring.

No. This system is used by the IRS Analyst to validate the accuracy of the IRS Tax System's (BMF, IMF, and NMF) ability to properly capture taxpayer data and that this data is properly reflected in the IRS's Custodial Financial Statements. These records are also reviewed and verified by the GAO. The accounts are monitored in aggregate form, not by individual accounts or group accounts. However, IRS procedural issues may be identified as a collateral benefit of the analysis performed on the modules. Historical estimates of collection potential on the balance due inventory as a whole will be available, but will not include any profile of an individual or group, other than total dollars due, type of tax, DLN. The data collected for the CASTS system is used during the time that the GAO conducts the audit of the IRS's Custodial Financial Statements, and is not used to update the tax systems from which the data was collected.

17. Can use of the system allow IRS to treat taxpayers, employees, or others, differently?

No. Large debit balance accounts are monitored year round only for the purpose of ensuring accurate financial classification on the IRS' financial statements. The annual sample population is a statistically valid sample of the entire population, which ensures that all accounts have an equal opportunity to be selected for sampling. All accounts that are selected for sampling are treated equally.

18. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action?

Not applicable. This system is not used to make assessments that could result in a negative determination. The system does not impact individual taxpayer accounts.

19. If the system is web-based, does it use persistent cookies or other tracking devices to identify web visitors?

Not applicable. This system is not web-based.

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